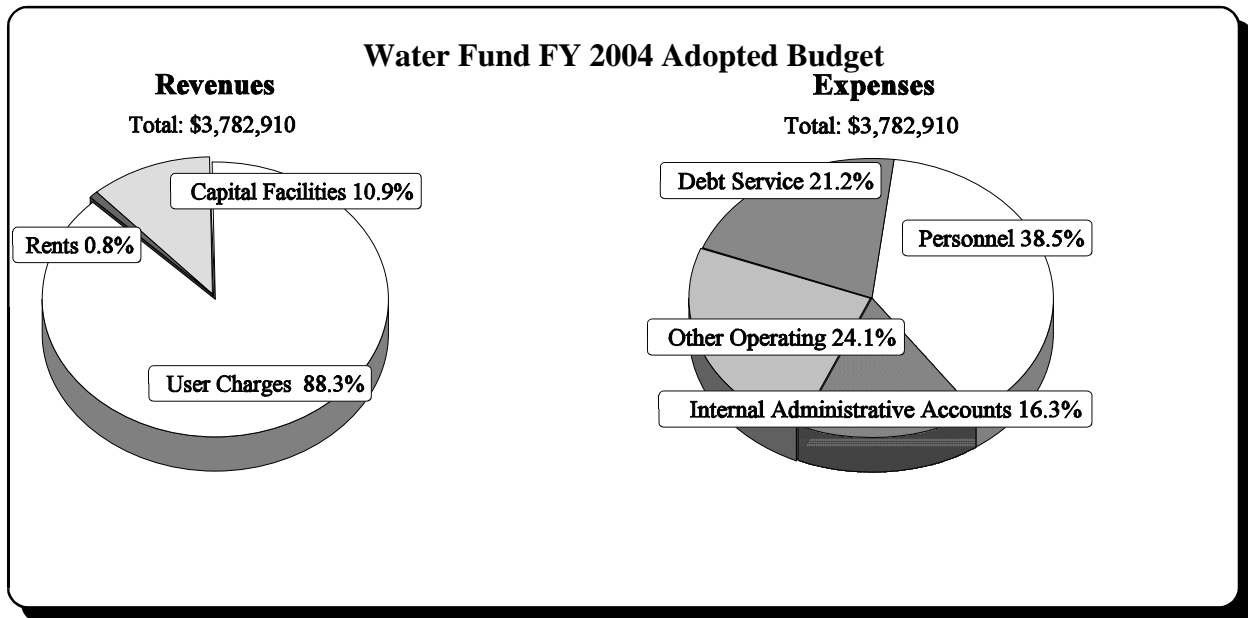


## Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the goal is that the cost of expenses, including both operations and capital, are financed or recovered primarily through user related charges. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation and Refuse Funds.

The City's goal is for enterprise funds to establish rates which provide for self-sufficiency.

All funds are summarized below and on the pages that follow.



The Water Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's water plant and water distribution system. This fund is totally self-supporting, and any annual surplus is usually used to subsidize the Sewer Fund's year-end deficit. The fund's primary source of revenue is from user charges levied on water customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's water system. It is billed to the property owner over a period of thirty years and is used solely for water system maintenance and repairs.

The Water Fund consists of two divisions: Water Plant and Water Distribution. The Water Plant is responsible for the production, treatment, testing, storage, and initial distribution of all potable water for customers of the City. The Water Distribution division is responsible for meter reading and operating, maintaining and repairing the City's 125 mile water distribution system, including service lines, water meters and fire hydrants.

## Enterprise Funds

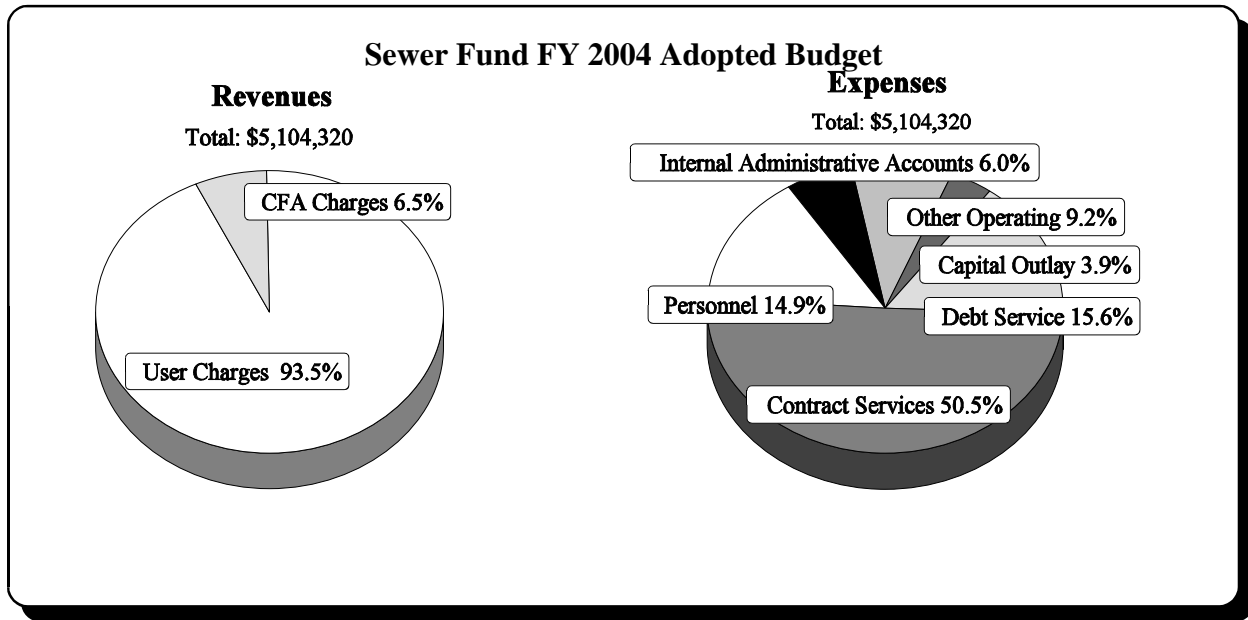
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| <i>Water Fund Revenues</i>           | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|--------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Water Charges                        | \$3,538,910               | \$3,545,000                | \$3,601,320                | 1.59%                     |
| Rents and Concessions                | 36,940                    | 33,600                     | 33,600                     | 0.00%                     |
| Adjustment for Non-Operating Revenue | (20,440)                  | (434,960)                  | (296,310)                  | -31.88%                   |
| Capital Facilities                   | 688,530                   | 444,300                    | 444,300                    | 0.00%                     |
| <b>Total Revenues</b>                | <b>\$4,243,940</b>        | <b>\$3,587,940</b>         | <b>\$3,782,910</b>         | <b>5.43%</b>              |

| <i>Water Fund Expenses</i>       | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|----------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Personnel                        | \$1,310,130               | \$1,362,520                | \$1,456,200                | 6.88%                     |
| Other Operating Expenses         | 931,760                   | 910,010                    | 910,010                    | 0.00%                     |
| Debt Service                     | 586,010                   | 599,050                    | 800,200                    | 33.58%                    |
| Internal Administrative Accounts | 568,110                   | 590,860                    | 616,500                    | 4.34%                     |
| Capital Outlays                  | 2,790                     | 125,500                    | 0                          | N/A                       |
| <b>Total Expenses</b>            | <b>\$3,398,800</b>        | <b>\$3,587,940</b>         | <b>\$3,782,910</b>         | <b>5.43%</b>              |

## Enterprise Funds

- continued -



The Sewer Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's sewage collection and treatment program. The fund's primary source of revenue is from user charges levied on sewer system customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's sewer system. It is billed to the property owner over a period of thirty years and is used solely for sewage conveyance system maintenance and repairs.

The Sewer Fund consists of two divisions: Sewer Plant and Sewer Collection. The Sewer Plant, which is owned jointly by Annapolis and Anne Arundel County, is responsible for the treatment of all wastewater generated by City customers. The Sewer Collection division is responsible for operating, maintaining and repairing the City's 125 mile sewage conveyance system, including twenty-two pumping stations.

## Enterprise Funds

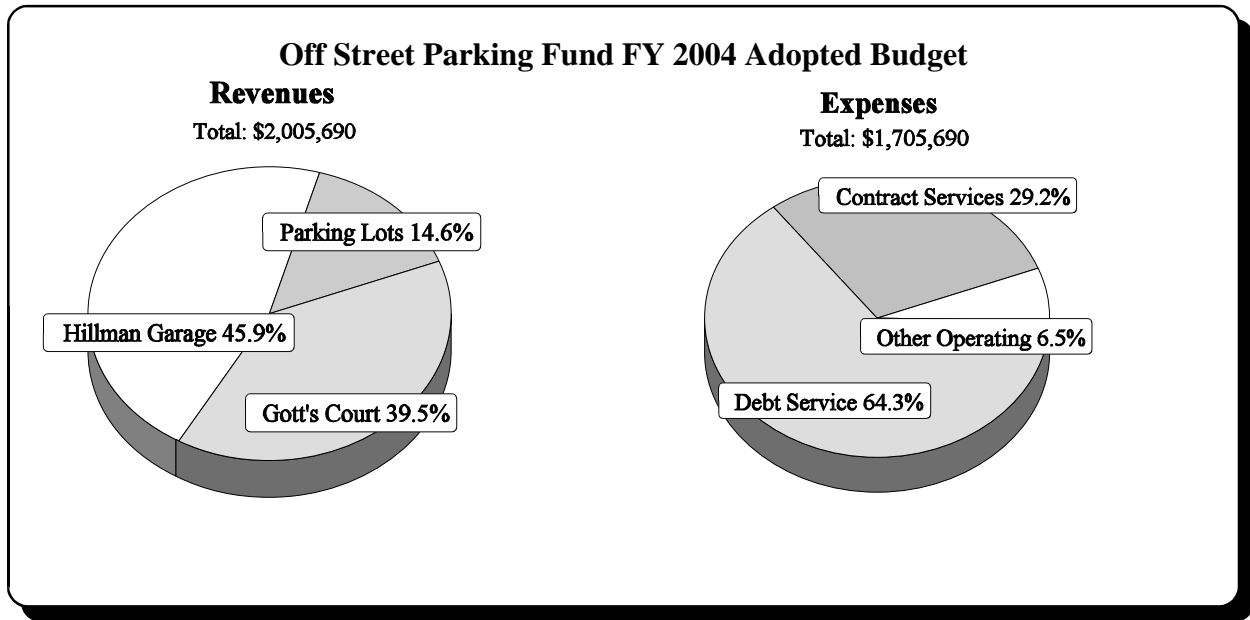
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| <i>Sewer Fund Revenues</i>           | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|--------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Sewer Charges                        | \$4,965,960               | \$4,896,580                | \$4,896,580                | 0.00%                     |
| Adjustment for Non-Operating Revenue | 23,880                    | (792,500)                  | (131,860)                  | -83.36%                   |
| Capital Facilities                   | 729,090                   | 339,600                    | 339,600                    | 0.00%                     |
| Other                                | 25,080                    | 0                          | 0                          | N/A                       |
| <b>Total Revenues</b>                | <b>\$5,744,010</b>        | <b>\$4,443,680</b>         | <b>\$5,104,320</b>         | <b>14.87%</b>             |

| <i>Sewer Fund Expenses</i>       | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|----------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Personnel                        | \$538,780                 | \$572,630                  | \$758,560                  | 32.47%                    |
| Contract services                | 2,190,230                 | 2,538,990                  | 2,575,990                  | 1.46%                     |
| Other Operating Expenses         | 702,070                   | 467,400                    | 467,950                    | 0.12%                     |
| Debt Service                     | 615,870                   | 637,310                    | 797,820                    | 25.19%                    |
| Internal Administrative Accounts | (16,240)                  | 182,350                    | 306,000                    | 67.81%                    |
| Capital Outlays                  | 0                         | 45,000                     | 198,000                    | 340.00%                   |
| <b>Total Expenses</b>            | <b>\$4,030,710</b>        | <b>\$4,443,680</b>         | <b>\$5,104,320</b>         | <b>14.87%</b>             |

## Enterprise Funds

- continued -



The Off Street Parking Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Municipal Off Street Parking facilities. These parking facilities include two parking garages (Hillman Garage and Gott's Court Garage) and two parking lots (Larkin and South Street). This fund is totally self-supporting, producing an annual surplus. The fund's primary source of revenue is from parking fees generated by the parking garages. Together, Hillman Garage and Gott's Court Garage parking fees account for about 90% of the fund's revenue.

The City maintains a contractual agreement with a parking management company for the day-to-day operations of all parking facilities; 29.2% of total costs are for professional services as opposed to personnel costs.

## Enterprise Funds

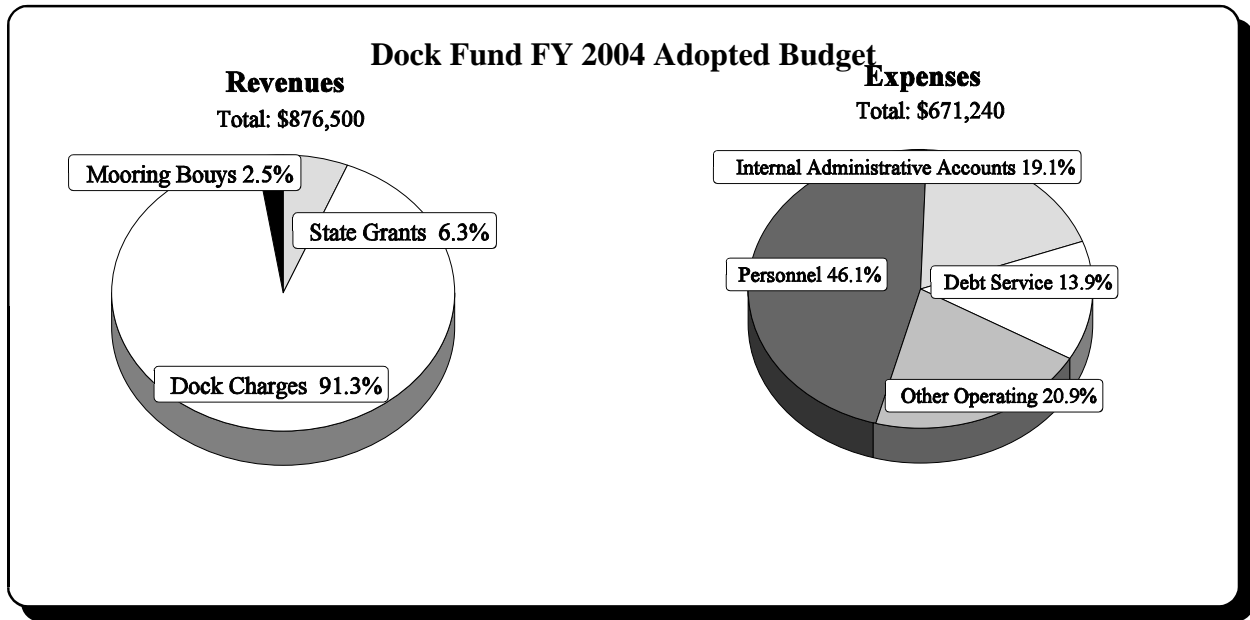
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| <i>Off Street Parking Fund Revenues</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|---|---------------------------|----------------------------|----------------------------|---------------------------|
| Off Street Parking Charges              | \$1,954,710               | \$1,917,000                | \$2,050,000                | 6.94%                     |
| Adjustment for Non-Operating Revenue    | 0                         | 0                          | (44,310)                   | N/A                       |
| Interest Earnings                       | 540                       | 0                          | 0                          | N/A                       |
| Other                                   | 302,860                   | 0                          | 0                          | N/A                       |
| <b>Total Revenues</b>                   | <b>\$2,258,110</b>        | <b>\$1,917,000</b>         | <b>\$2,005,690</b>         | <b>4.63%</b>              |

| <i>Off Street Parking Fund Expenses</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|---|---------------------------|----------------------------|----------------------------|---------------------------|
| Contract Services                       | \$512,970                 | \$538,000                  | \$538,000                  | 0.00%                     |
| Other Operating Expenses                | 71,760                    | 120,470                    | 120,470                    | 0.00%                     |
| Debt Service                            | 737,800                   | 642,020                    | 1,185,240                  | 84.61%                    |
| Internal Administrative Accounts        | (162,220)                 | (52,440)                   | (138,020)                  | 163.20%                   |
| Subsidies & Transfer to CIP             | 650,000                   | 105,000                    | 0                          | N/A                       |
| <b>Total Expenses</b>                   | <b>\$1,810,310</b>        | <b>\$1,353,050</b>         | <b>\$1,705,690</b>         | <b>26.06%</b>             |

## Enterprise Funds

- continued -



The Dock Fund is an enterprise fund used to account for all financial activity associated with the management and control of the City's waterways, including slips and mooring buoys, showers and restrooms for boaters, sewage pump-out facilities for boaters, and maintenance of the City Dock area. This fund is totally self-supporting, generating a modest surplus. The Dock Fund's primary source of revenue is from slip charges. These are fees charged for mooring at a City Dock boat slip, based on the number of hours that the boat stays in the slip.

## Enterprise Funds

- continued -

| <i>Dock Fund Revenues</i>            | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|--------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| State Operating Grants               | \$46,590                  | \$55,000                   | \$55,000                   | 0.00%                     |
| Dock Charges                         | 838,400                   | 799,000                    | 821,500                    | 2.82%                     |
| Adjustment for Non-Operating Revenue | 0                         | (262,630)                  | 0                          | N/A                       |
| <b>Total Revenues</b>                | <b>\$884,990</b>          | <b>\$591,370</b>           | <b>\$876,500</b>           | <b>48.22%</b>             |

| <i>Dock Fund Expenses</i>        | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|----------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Personnel                        | \$280,410                 | \$300,990                  | \$309,220                  | 2.73%                     |
| Other Operating Expenses         | 136,780                   | 285,460                    | 140,460                    | -50.80%                   |
| Debt Service                     | 116,940                   | 126,930                    | 93,490                     | -26.35%                   |
| Internal Administrative Accounts | 16,900                    | (122,010)                  | 128,070                    | -204.97%                  |
| Capital Outlays                  | 9,330                     | 0                          | 0                          | N/A                       |
| <b>Total Expenses</b>            | <b>\$560,360</b>          | <b>\$591,370</b>           | <b>\$671,240</b>           | <b>13.51%</b>             |



## Enterprise Funds

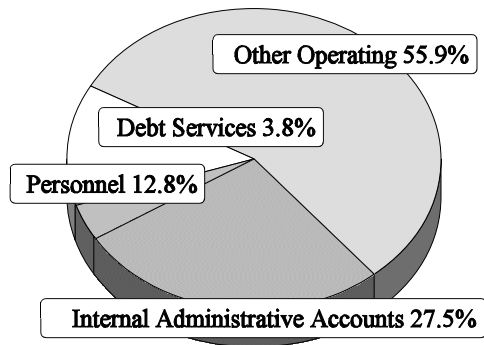
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### Market Fund FY 2004 Adopted Budget

#### Expenses

Total: \$116,770



The Market House Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Market House, an enclosed pavilion housing vendors who sell a wide variety of carry-out, affordable foods and beverages. This fund is totally self-supporting. The fund's revenue is from rent paid by the vendors. Primary expenses are electricity and repairs and maintenance.

## Enterprise Funds

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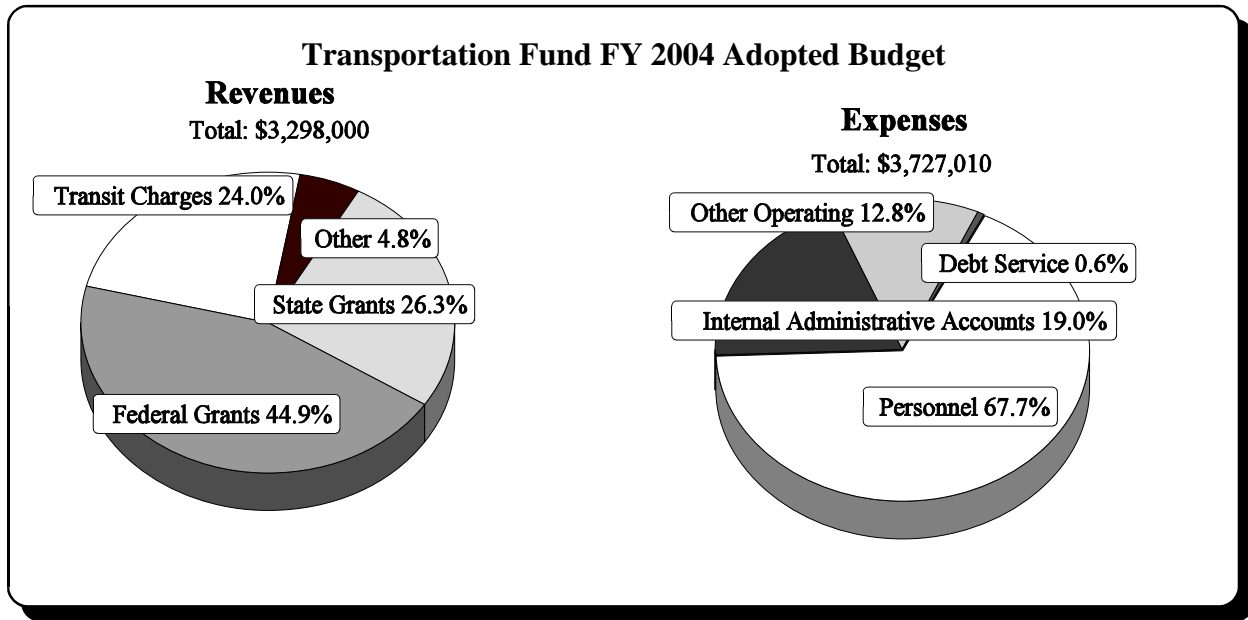
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| <i>Market Fund Revenues</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Proposed</i> | <i>Percent<br/>Change</i> |
|-----------------------------|---------------------------|----------------------------|-----------------------------|---------------------------|
| Market Charges              | \$110,260                 | \$92,860                   | \$116,770                   | 25.75%                    |
| <b>Total Revenues</b>       | <b>\$110,260</b>          | <b>\$92,860</b>            | <b>\$116,770</b>            | <b>25.75%</b>             |

| <i>Market Fund Expenses</i>      | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Proposed</i> | <i>Percent<br/>Change</i> |
|----------------------------------|---------------------------|----------------------------|-----------------------------|---------------------------|
| Personnel                        | \$0                       | \$15,000                   | \$15,000                    | 0.00%                     |
| Debt Service                     | 9,320                     | 6,440                      | 4,470                       | -30.59%                   |
| Other Operating Expenses         | 42,230                    | 65,230                     | 65,230                      | 0.00%                     |
| Internal Administrative Accounts | (67,270)                  | 6,190                      | 32,070                      | 418.09%                   |
| Transfer to CIP                  | 80,000                    | 0                          | 0                           | N/A                       |
| <b>Total Expenses</b>            | <b>\$64,280</b>           | <b>\$92,860</b>            | <b>\$116,770</b>            | <b>25.75%</b>             |

## Enterprise Funds

- continued -



The Transportation Fund is an enterprise fund used to account for all financial activity associated with the operation and maintenance of the City's public transportation system. This fund usually operates at a significant deficit which is offset by subsidies from the General Fund. The fund's primary source of revenue is from transit charges. Federal and State Grants also account for a large portion of revenues.

The Transportation Fund consists of three divisions: Administration, Transit Operations, and Maintenance. The Administration division is responsible for operational planning and service management, grants management, and taxi and pedicab licensing and regulation. The Transit Operations division is responsible for operating and effective an efficient public transit system in accordance with all state and federal regulations. The Maintenance division is responsible for the repair and maintenance of all service and support vehicles, facilities and equipment.

## Enterprise Funds

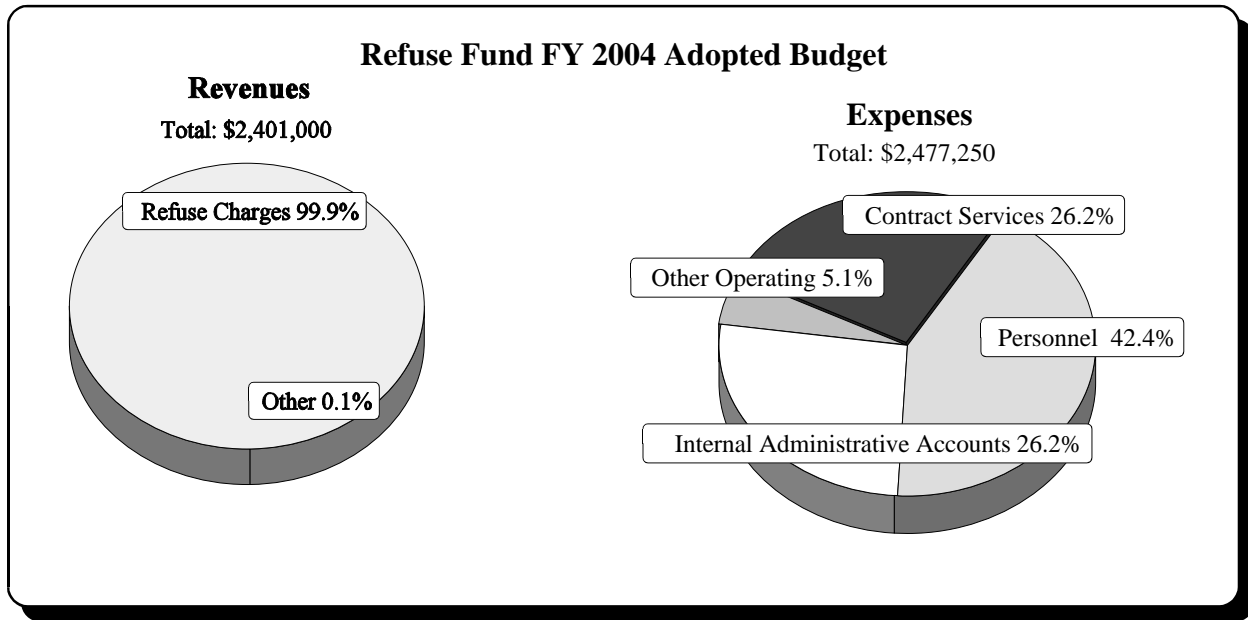
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| <i>Transportation Fund Revenues</i>  | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|--------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Federal Operating and Capital Grants | \$949,990                 | \$1,283,200                | \$1,481,000                | 15.41%                    |
| State Operating and Capital Grants   | 959,190                   | 858,000                    | 869,000                    | 1.28%                     |
| Transportation Charges               | 713,140                   | 765,000                    | 790,000                    | 3.27%                     |
| Capital Contributions                | 1,176,500                 | 0                          | 0                          | N/A                       |
| Other                                | 807,240                   | 158,000                    | 158,000                    | 0.00%                     |
| <b>Total Revenues</b>                | <b>\$4,606,060</b>        | <b>\$3,064,200</b>         | <b>\$3,298,000</b>         | <b>7.63%</b>              |

| <i>Transportation Fund Expenses</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|-------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Personnel                           | \$2,234,680               | \$2,399,560                | \$2,521,510                | 5.08%                     |
| Other Operating Expenses            | 602,690                   | 549,950                    | 475,350                    | -13.56%                   |
| Debt Service                        | 30,320                    | 28,330                     | 23,690                     | -16.38%                   |
| Internal Administrative Accounts    | 422,720                   | 576,590                    | 706,460                    | 22.52%                    |
| Capital Outlays                     | 151,910                   | 0                          | 0                          | N/A                       |
| <b>Total Expenses</b>               | <b>\$3,442,320</b>        | <b>\$3,554,430</b>         | <b>\$3,727,010</b>         | <b>4.86%</b>              |

## Enterprise Funds

- continued -



The Refuse Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's residential refuse, yard waste, recycling, and bulk disposal systems. This fund is self supporting, through refuse charges paid by refuse customers. The Fund's primary expense, aside from personnel costs, is the landfill tipping fee paid to the County for the disposal of residential and bulk refuse. Another significant expense is the contract service cost incurred for curbside recycling.

The Refuse Fund consists of three divisions: Residential Refuse, Yard Waste Recycling and Curbside Recycling. The Residential Refuse division is responsible for the collection and transportation of solid waste from participating residential households to a disposal site. Residential refuse pickup is twice per week. The Yard Waste Recycling division is responsible for the bi-weekly collection of yard waste from participating residential households. Collected yard waste is ground into mulch which is available to the public free of charge. The Curbside Recycling division is responsible for the curbside collection from participating residential households of bottles, cans, plastic and newspapers, cardboard, and mixed paper (junk mail, advertisements, magazines, etc.), and the hiring of the contractor to perform these services.

## Enterprise Funds

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- continued -

| <i>Refuse Fund Revenues</i>             | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|---|---------------------------|----------------------------|----------------------------|---------------------------|
| Refuse Collection Charges - Residential | \$2,410,170               | \$2,366,000                | \$2,399,000                | 1.39%                     |
| Other                                   | 1,490                     | 2,000                      | 2,000                      | 0.00%                     |
| <b>Total Revenues</b>                   | <b>\$2,411,660</b>        | <b>\$2,368,000</b>         | <b>\$2,401,000</b>         | <b>1.39%</b>              |

| <i>Refuse Expenses</i>           | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|----------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Personnel                        | \$905,190                 | \$996,920                  | \$1,051,200                | 5.44%                     |
| Contract Services                | 645,440                   | 633,660                    | 649,880                    | 2.56%                     |
| Other Operating Expenses         | 105,630                   | 126,510                    | 126,510                    | 0.00%                     |
| Internal Administrative Accounts | 576,130                   | 104,630                    | 649,660                    | 520.91%                   |
| Transfer to CIP                  | 34,000                    | 545,000                    | 0                          | N/A                       |
| Capital Outlays                  | 0                         | 35,000                     | 0                          | N/A                       |
| <b>Total Expenses</b>            | <b>\$2,266,390</b>        | <b>\$2,441,720</b>         | <b>\$2,477,250</b>         | <b>1.46%</b>              |

## Special Revenue Fund

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Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. Included in the special revenue fund is the Community Development Block Grant.

### Community Development Block Grant

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by grant of Federal funds from the U.S. Department of Housing and Urban Development. This grant is made available to the City for affordable housing, homelessness, and community and economic development activities. The Housing and Community Development division of the Department of Planning and Zoning is responsible for planning, organizing and implementing the CDBG program. The division's services, goals and objectives are presented in the *Planning and Zoning* section of this document.

| <i>CDBG Revenues</i>  | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|-----------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| CDBG Block Grant      | \$434,450                 | \$428,000                  | \$424,000                  | -0.93%                    |
| <b>Total Revenues</b> | <b>\$434,450</b>          | <b>\$428,000</b>           | <b>\$424,000</b>           | <b>-0.93%</b>             |

| <i>CDBG Expenditures</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|--------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Operating Expenditures   | 311,480                   | 297,350                    | 358,580                    | 20.59%                    |
| Capital Expenditures     | 122,960                   | 130,650                    | 65,420                     | -49.93%                   |
| <b>Total Expenses</b>    | <b>\$434,440</b>          | <b>\$428,000</b>           | <b>\$424,000</b>           | <b>-0.93%</b>             |

The amount of the grant made available to the City for fiscal year 2004 is expected to be \$424,000. The adopted amount for the operating portion of the grant is \$358,580 and \$65,420 for Capital Expenditures.

## **Debt Service Fund**

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### **Debt Service Fund Summary:**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

### **General Obligation Bonds**

As of June 30, 2003, the City had six general obligation bond issues outstanding, as described below:

1. *Public Improvement Bonds of 1993* - These \$3,675,000 bonds were issued on November 1, 1993, with a twenty year term. The bond proceeds have been used to fund various public projects, primarily water mains and relief sewers and pumping stations.
2. *Public Improvement Bonds, 1994 Refunding Series* - These \$7,445,000 bonds were issued on March 15, 1994, with a twenty year term. The bond proceeds were used for the refunding of all or part of two Public Improvement Bonds: \$3,105,000 of the 1986 Public Improvements Bond, and \$1,815,000 of the 1988 Public Improvements Bond. The remaining \$2,525,000 of bond proceeds have been used to finance the cost of improvements to the Annapolis Wastewater Treatment Plant and the Belmont Sewage Pumping Station.
3. *Public Improvement Bonds of 1995* - These \$5,655,000 bonds were issued on April 1, 1995, with a twenty year term. The bond proceeds have been used to offset the costs of various public projects, including the reconstruction of Main Street and improvement to the Annapolis Wastewater Treatment Plant.
4. *Public Improvement and Refunding Bonds, Series 1998* - These \$19,215,000 bonds were issued on June 3, 1998, with a twenty year term. The bond proceeds were used for the refunding of all or part of three General Obligation Bonds: \$5,405,000 of the 1987 Public Refunding Bond, \$1,235,000 of the 1988 Public Improvement Bond, and \$3,885,000 of the 1991 Public Improvement Bond. The remainder of the bond proceeds were used to finance the cost of improvements to the Hillman Parking Garage, Gateway Circle, General Sewer Rehabilitation, City Dock Reconstruction, and the Stanton Center.
5. *Public Improvement Bonds of 2002* - These \$20,885,000 bonds were issued on December 1, 2002, with a fifteen year term. The bond proceeds have been used to purchase a new fire ladder truck, fund various public projects, including improvements to the Water and Wastewater systems, streets and a parking garage.
- C *Public Improvement Refunding Bonds of 2003* - These \$7,690,000 bonds were issued on June 26, 2003, with a twelve year term. The bond proceeds were used for the refunding of a part of the 1993, 1994, and 1995 series bonds.



## Debt Service Fund

- continued -

### Loans

As of June 30, 2003 the City had two loans outstanding, as described below:

1. *State of Maryland - MICRF Loan* - This \$250,000 loan was used to finance the purchase of the McNasby property, a seafood processing plant with historic significance.
2. *State of Maryland Water Quality Loan* - This \$1,570,795 loan was used to finance the costs of improvements to the Annapolis Wastewater Treatment Plant.

### Long Term Debt Summary:

The following is a list of the bonds, notes, and capital leases included in the City's long-term debt at June 30, 2003:

#### General Long Term Debt

| <i>Description</i>             | <i>Year of Issuance</i> | <i>Outstanding Principal</i> | <i>Interest Rate</i> | <i>Year of Final Maturity</i> |
|--------------------------------|-------------------------|------------------------------|----------------------|-------------------------------|
| <i>Bonds</i>                   |                         |                              |                      |                               |
| Public Improvement             | 1993                    | 33,210                       | 3.60 - 5.50%         | 2013                          |
| Public Improvement & Refunding | 1994                    | 1,624,440                    | 3.30 - 5.90%         | 2014                          |
| Public Improvement             | 1995                    | 309,720                      | 4.80 - 6.80%         | 2015                          |
| Public Improvement & Refunding | 1998                    | 6,389,330                    | 4.40 - 5.00%         | 2017                          |
| Public Improvement             | 2002                    | 9,552,330                    | 2.50 - 5.00%         | 2018                          |
| Public Improvement Refunding   | 2003                    | \$4,391,600                  | 2.65%                | 2015                          |
|                                | <b>Total</b>            | <b>\$22,300,630</b>          |                      |                               |
| <i>Loans</i>                   |                         |                              |                      |                               |
| MICRF - McNasby                | 1989                    | \$164,060                    | 0.00%                | 2004                          |
|                                | <b>Total</b>            | <b>\$164,060</b>             |                      |                               |
|                                | <b>Grand Total</b>      | <b>\$22,464,690</b>          |                      |                               |

## Debt Service Fund

- continued -

### Enterprise Long Term Debt

| <i>Description</i> | <i>Year of<br/>Issuance</i> | <i>Outstanding<br/>Principal</i> | <i>Interest<br/>Rate</i> | <i>Year of<br/>Final Maturity</i> |
|--------------------|-----------------------------|----------------------------------|--------------------------|-----------------------------------|
|--------------------|-----------------------------|----------------------------------|--------------------------|-----------------------------------|

#### *Bonds*

|                                |      |                     |              |      |
|--------------------------------|------|---------------------|--------------|------|
| Public Improvement             | 1993 | 141,790             | 3.60 - 5.50% | 2013 |
| Public Improvement & Refunding | 1994 | 1,140,560           | 3.30 - 5.90% | 2014 |
| Public Improvement             | 1995 | 195,280             | 4.80 - 6.80% | 2015 |
| Public Improvement & Refunding | 1998 | 6,060,670           | 4.40 - 5.00% | 2017 |
| Public Improvement             | 2002 | 11,332,670          | 2.50 - 5.00% | 2018 |
| Public Improvement Refunding   | 2003 | \$3,298,400         | 2.65%        | 2015 |
| <b>Total</b>                   |      | <b>\$22,169,370</b> |              |      |

#### *Loans*

|                    |      |                    |       |      |
|--------------------|------|--------------------|-------|------|
| Water Quality Loan | 1993 | \$1,074,470        | 3.25% | 2015 |
| <b>Total</b>       |      | <b>\$1,074,470</b> |       |      |

|                    |                     |
|--------------------|---------------------|
| <b>Grand Total</b> | <b>\$23,243,840</b> |
|--------------------|---------------------|

## Debt Service Fund

- continued -

### Debt Service Principal and Interest Payments:

The tables below list the principal and interest payments for General Obligation Bonds, Loans, and Capital Leases for fiscal years 2002, 2003, and 2004.

| <i>General Obligation Bonds</i>       | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|---------------------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Principal                             | \$2,695,000               | \$2,825,020                | \$3,635,000                | 28.67%                    |
| Interest                              | 1,317,420                 | 1,193,370                  | 1,902,300                  | 59.41%                    |
| <b>Total General Obligation Bonds</b> | <b>\$4,012,420</b>        | <b>\$4,018,390</b>         | <b>\$5,537,300</b>         | <b>37.80%</b>             |

### *Loans*

|                    |                  |                  |                  |              |
|--------------------|------------------|------------------|------------------|--------------|
| Principal          | \$76,270         | \$78,550         | \$80,900         | 2.99%        |
| Interest           | 37,760           | 37,270           | 34,920           | -6.31%       |
| <b>Total Loans</b> | <b>\$114,030</b> | <b>\$115,820</b> | <b>\$115,820</b> | <b>0.00%</b> |

| <i>Debt Service Summary</i> | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> | <i>Percent<br/>Change</i> |
|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|
| Total Principal             | \$2,771,270               | \$2,903,570                | \$3,715,900                | 27.98%                    |
| Total Interest              | 1,355,180                 | 1,230,640                  | 1,937,220                  | 57.42%                    |
| <b>Total Debt Service</b>   | <b>\$4,126,450</b>        | <b>\$4,134,210</b>         | <b>\$5,653,120</b>         | <b>36.74%</b>             |

## Debt Service Fund

- continued -

The table below lists principal and interest payments for General Obligation Bonds, Loans, and Capital Leases, by fund, for FY 2004.

| <i>Fund</i>        | <i>General<br/>Obligation<br/>Bond<br/>Principal</i> | <i>General<br/>Obligation<br/>Bond Interest</i> | <i>Loan<br/>Principal</i> | <i>Loan<br/>Interest</i> | <i>Total<br/>Principal<br/>Payments</i> | <i>Total<br/>Interest<br/>Payments</i> |
|--------------------|--|---|---------------------------|--------------------------|---|--|
| General            | \$1,812,410  | \$929,540                                       | \$6,250                   | \$0                      | \$1,818,660                             | \$929,540                              |
| Water              | 523,120  | 277,080   | 0                         | 0                        | 523,120                                 | 277,080                                |
| Sewer              | 457,650  | 230,600   | 74,650                    | 34,920                   | 532,300                                 | 265,520                                |
| Off Street Parking | 763,660  | 421,590   | 0                         | 0                        | 763,660                                 | 421,590                                |
| Dock               | 61,120   | 32,370  | 0                         | 0                        | 61,120                                  | 32,370                                 |
| Market             | 2,950  | 1,520   | 0                         | 0                        | 2,950                                   | 1,520                                  |
| Transportation     | 14,090   | 9,600   | 0                         | 0                        | 14,090                                  | 9,600                                  |
| Refuse             | 0  | 0   | 0                         | 0                        | 0                                       | 0                                      |
| <b>Total</b>       | <b>\$3,635,000</b>                                   | <b>\$1,902,300</b>                              | <b>\$80,900</b>           | <b>\$34,920</b>          | <b>\$3,715,900</b>                      | <b>\$1,937,220</b>                     |
|                    |  |   |                           |                          | <b>\$5,653,120</b>                      |  |

## Debt Service Fund

- continued -

### Debt Service Requirements to Maturity General Obligation Bonds Fiscal Years 2004 - 2020

| <i>Fiscal Year</i> | <i>Principal</i>    | <i>Interest</i>     | <i>Total</i>        |
|--------------------|---------------------|---------------------|---------------------|
| 2004               | 3,635,000           | 1,729,890           | 5,364,890           |
| 2005               | 3,635,000           | 1,575,010           | 5,210,010           |
| 2006               | 3,475,000           | 1,484,070           | 4,959,070           |
| 2007               | 3,710,000           | 1,320,220           | 5,030,220           |
| 2008               | 3,355,000           | 1,192,080           | 4,547,080           |
| 2009               | 3,425,000           | 1,045,250           | 4,470,250           |
| 2010               | 3,035,000           | 929,730             | 3,964,730           |
| 2011               | 3,100,000           | 810,250             | 3,910,250           |
| 2012               | 3,170,000           | 687,710             | 3,857,710           |
| 2013               | 2,720,000           | 570,480             | 3,290,480           |
| 2014               | 2,765,000           | 465,830             | 3,230,830           |
| 2015               | 2,535,000           | 358,900             | 2,893,900           |
| 2016               | 1,940,000           | 255,410             | 2,195,410           |
| 2017               | 1,970,000           | 168,360             | 2,138,360           |
| 2018               | 2,000,000           | 77,800              | 2,077,800           |
| 2019               | 0                   | 0                   | 0                   |
| 2020               | 0                   | 0                   | 0                   |
| <b>Total</b>       | <b>\$44,470,000</b> | <b>\$12,670,990</b> | <b>\$57,140,990</b> |

## Debt Service Fund

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- continued -

### Legal Debt Margin:

The City Charter limits the aggregate amount of bonds and other indebtedness, with certain exceptions, to 10% of the assessable base of the City, which includes real and personal property. For FY 2004, the debt margin of the City is as follows:

|  |                        |
|--|------------------------|
| Assessed Value for FY 2004             | <u>\$3,092,000,000</u> |
| Debt Limit: 10% of assessed value      | 309,200,000            |
| Debt Subject to Limitation             | <u>33,281,630</u>      |
| Legal Debt Margin                      | <u>\$275,918,370</u>   |
| Ratio of city debt to assessable basis | 1.08%                  |

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the City has participated in Industrial Revenue Bonds for various projects within the City. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the City and, accordingly, they are not included in general long-term debt.

### Debt Service as a Share of Expenditures:

The City's budgeted debt service of \$5,653,120 for FY 2004 is 10.29% of the \$54,924,440 FY 2004 total expenditure budget. \$2,748,200 of this debt service amount is General Fund debt service, which is equal to 7.36% of total General Fund budgeted expenditures of \$37,339,250.

## Comparison of Full Time Equivalent Positions by Fund FY 2002 to FY 2004

The following tables summarize the changes in permanent and temporary positions from FY 2002 to FY 2004 for all funds.

| <i>Permanent Positions by Fund</i> | <i>FTE</i>                |                            |                            |
|------------------------------------|---------------------------|----------------------------|----------------------------|
|                                    | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> |
| General                            | 422                       | 429                        | 427                        |
| Water                              | 23                        | 23                         | 23                         |
| Sewer                              | 7                         | 7                          | 10                         |
| Off Street Parking                 | 0                         | 0                          | 0                          |
| Dock                               | 3                         | 3                          | 3                          |
| Market                             | 0                         | 0                          | 0                          |
| Transportation                     | 38                        | 42                         | 47                         |
| Refuse                             | 22                        | 22                         | 22                         |
| Special Revenue                    | 0                         | 0                          | 0                          |
| <b>Grand Total</b>                 | <b>515</b>                | <b>526</b>                 | <b>532</b>                 |

| <i>Temporary Positions by Fund</i> | <i>FTE</i>                |                            |                            |
|------------------------------------|---------------------------|----------------------------|----------------------------|
|                                    | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> |
| General                            | * 16                      | * 19                       | * 19                       |
| Water                              | 0                         | 0                          | 0                          |
| Sewer                              | 0                         | 0                          | 0                          |
| Off Street Parking                 | 0                         | 0                          | 0                          |
| Dock                               | * 2                       | * 2                        | * 2                        |
| Market                             | 0                         | 0                          | 1                          |
| Transportation                     | 4                         | 4                          | 4                          |
| Refuse                             | * 1                       | * 1                        | * 1                        |
| Special Revenue                    | 0                         | 0                          | 0                          |
| <b>Grand Total</b>                 | <b>23</b>                 | <b>26</b>                  | <b>27</b>                  |

\* These divisions have a “pool” of money that is earmarked for payment to temporary employees. The actual number of people working as “temps” varies during the fiscal year, as many of these positions are seasonal.

## Comparison of Full Time Equivalent Positions by Department FY 2002 to FY 2004

The following tables summarize the changes in permanent and temporary positions from FY 2002 to FY 2004 for all departments.

| <i>Permanent Positions by Department</i> | <i>FTE</i>                |                            |                            |
|--|---------------------------|----------------------------|----------------------------|
|  | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> |
| Mayor and Aldermen                       | 14                        | 15                         | 14                         |
| Finance                                  | 25                        | 26                         | 27                         |
| Human Resources                          | 6                         | 7                          | 7                          |
| Planning and Zoning                      | 16                        | 16                         | 15                         |
| Central Services                         | 5                         | 5                          | 5                          |
| Police                                   | 169                       | 169                        | 169                        |
| Fire                                     | 99                        | 103                        | 103                        |
| Neighborhood & Environ. Programs         | 0                         | 0                          | 20                         |
| Public Works                             | 123                       | 123                        | 105                        |
| Recreation and Parks                     | 20                        | 20                         | 20                         |
| Transportation                           | 38                        | 42                         | 47                         |
| <b>Grand Total</b>                       | <b>515</b>                | <b>526</b>                 | <b>532</b>                 |

| <i>Temporary Positions by Department</i> | <i>FTE</i>                |                            |                            |
|--|---------------------------|----------------------------|----------------------------|
|  | <i>FY 2002<br/>Actual</i> | <i>FY 2003<br/>Adopted</i> | <i>FY 2004<br/>Adopted</i> |
| Mayor and Aldermen                       | 13                        | 15                         | 15                         |
| Finance                                  | 0                         | 0                          | 0                          |
| Human Resources                          | 0                         | 1                          | 1                          |
| Planning and Zoning                      | 0                         | 0                          | 0                          |
| Central Services                         | 0                         | 0                          | 1                          |
| Police                                   | 0                         | 0                          | 0                          |
| Fire                                     | 0                         | 0                          | 0                          |
| Neighborhood & Environ. Programs         | 0                         | 0                          | 1                          |
| Public Works                             | 3                         | 3                          | 2                          |
| Recreation and Parks                     | 3                         | 3                          | 3                          |
| Transportation                           | 4                         | 4                          | 4                          |
| <b>Grand Total</b>                       | <b>23</b>                 | <b>26</b>                  | <b>27</b>                  |



## Summary of Position Changes FY 2003 to FY 2004

The following tables detail the changes in permanent and temporary positions from FY 2003 to FY 2004 for all departments.

| <i>Permanent Positions by Department</i> | <i>FY 2003<br/>Positions</i> | <i>Additions</i> | <i>Deletions</i> | <i>FY 2004<br/>Positions</i> |
|--|------------------------------|------------------|------------------|------------------------------|
| Mayor and Aldermen                       | 15                           | 0                | 1                | 14                           |
| Finance                                  | 26                           | 1                | 0                | 27                           |
| Human Resources                          | 7                            | 0                | 0                | 7                            |
| Planning and Zoning                      | 16                           | 1                | 2                | 15                           |
| Central Services                         | 5                            | 0                | 0                | 5                            |
| Police                                   | 169                          | 1                | 1                | 169                          |
| Fire                                     | 103                          | 0                | 0                | 103                          |
| Neighborhood & Environ. Programs         | 0                            | 20               | 0                | 20                           |
| Public Works                             | 123                          | 0                | 18               | 105                          |
| Recreation and Parks                     | 20                           | 0                | 0                | 20                           |
| Transportation                           | 42                           | 5                | 0                | 47                           |
| <b>Grand Total</b>                       | <b>526</b>                   | <b>28</b>        | <b>22</b>        | <b>532</b>                   |

### Mayor and Aldermen

Elimination of one (1) Office Associate III

### Finance

Reclassification of one (1) Information Systems Analyst from Police Department

### Planning and Zoning

Addition of one (1) Planner

Reclassification of one (1) Code Enforcement Officer

Reclassification of one (1) Environmental Planner

### Police

Addition of one (1) Police Records Specialist

Reclassification of one (1) Information Systems Analyst to Finance Department

### Neighborhood and Environmental Programs

Reclassification of eighteen (18) personnel from Public Works - Inspection and Permits

Reclassification of two (2) personnel from Planning and Zoning

### Public Works

Reclassification of eighteen (18) personnel to Neighborhood and Environmental Programs

### Transportation

Addition of four (4) Bus Driver I's

Addition of one (1) Fleet Mechanic I's

**Summary of Position Changes  
FY 2003 to FY 2004**

- continued -

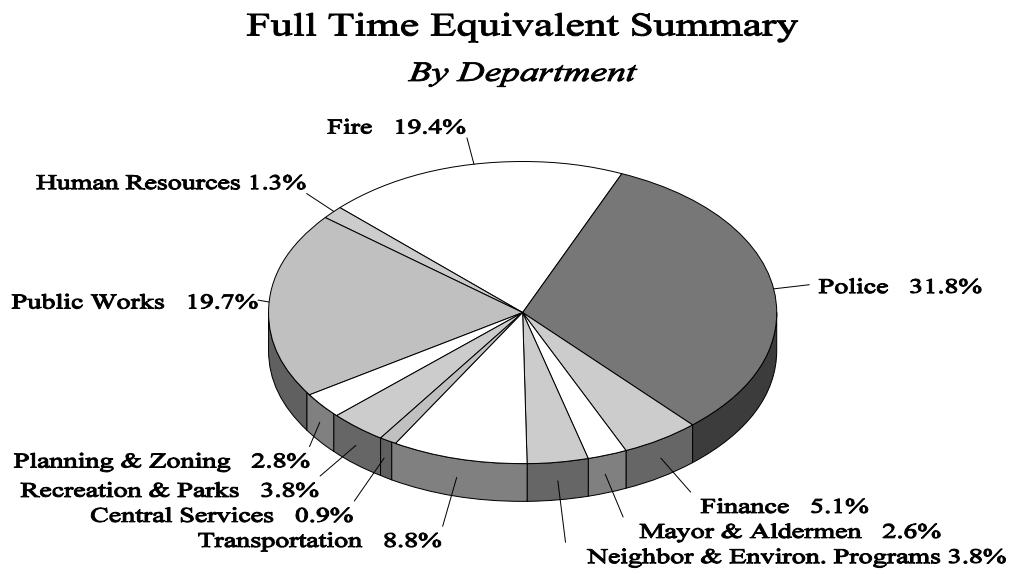
| <i>Temporary Positions by Department</i> | <i>FY 2003<br/>Positions</i> | <i>Additions</i> | <i>Deletions</i> | <i>FY 2004<br/>Positions</i> |
|--|------------------------------|------------------|------------------|------------------------------|
| Mayor and Aldermen                       | 15                           | 0                | 0                | 15                           |
| Finance                                  | 0                            | 0                | 0                | 0                            |
| Human Resources                          | 1                            | 0                | 0                | 1                            |
| Planning and Zoning                      | 0                            | 0                | 0                | 0                            |
| Central Services                         | 0                            | 1                | 0                | 1                            |
| Police                                   | 0                            | 0                | 0                | 0                            |
| Fire                                     | 0                            | 0                | 0                | 0                            |
| Neighborhood & Environ. Programs         | 0                            | 0                | 0                | 0                            |
| Public Works                             | 3                            | 0                | 0                | 3                            |
| Recreation and Parks                     | 3                            | 0                | 0                | 3                            |
| Community Development Block Grant        | 0                            | 0                | 0                | 0                            |
| Transportation                           | 4                            | 0                | 0                | 4                            |
| <b>Grand Total</b>                       | <b>26</b>                    | <b>1</b>         | <b>0</b>         | <b>27</b>                    |

Central Service

Addition of one (1) Part-Time Market manager

## Full Time Equivalent Summary FY 2004

The graph below indicates the percentage of total Permanent Full Time Equivalent Positions by department.



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